

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
FOUR TIMES SQUARE
NEW YORK 10036-6522

TEL: (212) 735-3000

FAX: (212) 735-2000

www.skadden.com

DIRECT DIAL
(212) 735-3902
DIRECT FAX
(917) 777-3902
EMAIL ADDRESS
ROBERT.FUMERTON@SKADDEN.COM

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February 5, 2016

BY ECF

The Honorable Denise L. Cote
United States District Court for the
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

RE: NCUA v. UBS Securities LLC, No. 13-cv-6731 (DLC) (S.D.N.Y.)

Dear Judge Cote:

On behalf of UBS Securities LLC (“UBS”), we write in connection with Defendants’ Motion for Partial Summary Judgment on the Proper Calculation of Prejudgment Interest (the “PJI Motion”), which UBS is filing today in the above-referenced action (the “New York Action”). UBS respectfully requests that the Court rule on the PJI Motion while holding in abeyance the parties’ other respective summary judgment motions (as they relate to UBS) because UBS is prepared to make an offer of judgment to resolve the New York Action pursuant to Federal Rule of Civil Procedure 68 based on the Court’s ruling on the appropriate prejudgment interest calculations.

As set forth in the PJI Motion, the parties disagree as to the applicable prejudgment interest rate and the appropriate method for calculating prejudgment interest. Although UBS continues to believe that it would ultimately succeed in its

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defense of the New York Action, UBS is prepared to offer judgment based on the prejudgment interest rate and methodology the Court determines are applicable in order to resolve the New York Action and save the Court and the parties the additional time and resources associated with continuing to litigate. Accordingly, once the Court rules on the PJI Motion, UBS's offer of judgment to NCUA will moot the parties' remaining summary judgment motions with respect to UBS and UBS thus does not believe it is necessary to complete briefing on the remaining UBS-related summary judgment motions. UBS's offer of judgment will not depend on resolution of the motion Credit Suisse is filing today seeking partial summary judgment on the nature of the NCUA Guaranteed Notes Program (NGN) (the "NGN Motion"). UBS is not joining the NGN Motion and, solely for the purposes of UBS's offer of judgment, UBS is not contesting NCUA's treatment of the NGN as a disposition.¹ With the exception of the damages calculation, the terms of the offer of judgment that UBS will make to NCUA will be substantially the same as the offer of judgment made by RBS in *NCUA Bd. v. RBS Securities, Inc., et al.*, No. 13-cv-6726 (DLC) (S.D.N.Y.), which NCUA has accepted.

For the foregoing reasons, UBS respectfully requests that the Court hold in abeyance all other UBS-related summary judgment motions pending the Court's ruling on the PJI Motion. On February 3, we met and conferred with NCUA to determine whether it consented to this request but NCUA indicated it could not provide UBS an answer by today.

Respectfully,

/s/ Robert A. Fumerton

Robert A. Fumerton

cc: All Counsel of Record (via ECF)

¹ While UBS is not joining the NGN Motion, UBS agrees that the NGN transaction is not a disposition for the reasons set out in Credit Suisse's memorandum of law in support of the motion.